FISCAL MEMORANDUM

HB 446 – SB 444

March 27, 2017

SUMMARY OF ORIGINAL BILL: Requires the Department of Revenue to submit a report by March 1, 2018, to the Fiscal Review Committee, the Transportation and Safety Committee of the Senate, and the Transportation Committee of the House of Representatives identifying the number of low-emission and low-emission and energy-efficient vehicles that have been issued a sticker or decal to operate in high occupancy vehicle lanes.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006140): Deletes all language after the enacting clause. Increases the fine for violations of high occupancy vehicle (HOV) lane provisions, from a maximum of $50 to $100 for a first offense, $150 for a second offense, and $200 for a third or subsequent offense. Increases the court costs that may be assessed for such violations from a maximum of $10 to a maximum of $30. Establishes that a citation or notice of violation that is based solely upon a violation of this section is subject to the driver improvement program created by Tenn. Code. Ann. § 55-50-505.

Requires the Department of Transportation (TDOT) to establish a system to collect information to identify violation hotspots and to operate a system to educate repeat offenders about the benefit of HOV lanes and the fines for violation of HOV lane provisions. Requires TDOT to install and maintain signage that displays information regarding such fines. Allocates all fine revenue, not including court costs, to TDOT to be used to offset the costs of the required signage and all other administrative costs of operating the established system.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – $24,500/Recurring/Highway Fund

Decrease State Revenue – $10,800/Recurring/General Fund

Increase State Expenditures – $49,500/One-Time/Highway Fund
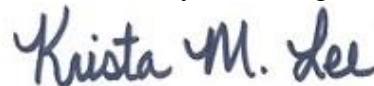
Decrease Local Revenue – $600/Recurring

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Assumptions for the bill as amended:

- According to the Department of Safety (DOS), the Tennessee Highway Patrol issued 141 HOV lane citations in 2014, 298 in 2015, and 244 in 2016, for an average of 228 citations per year.
- The total amount of fine revenue associated with such citations is unknown. However, assuming that a maximum of $50 was assessed on each citation, total annual fine revenue is estimated to be $11,400 (228 x $50).
- According to DOS, 95 percent of such revenue, or $10,830, is allocated to the state General Fund, and the remaining 5 percent, or $570, is allocated to the local government. These amounts represent recurring decreases to the General Fund and to the local government as all of fine revenue will be allocated to the Highway Fund pursuant to this bill.
- The current number of first, second, third, or subsequent offenses is unknown. However, it is reasonably assumed that 90 percent of violations will be first offenses, 5 percent will be second offenses, and 5 percent will be third or subsequent offenses.
- The total recurring increase in state revenue to the General Fund is estimated to be $24,510 [(228 x 90.0% x $100) + (228 x 5.0% x $150) + (228 x 5.0% x $200)].
- According to TDOT, there are 132 miles of HOV lanes in the state. It is assumed that required signage will be placed at two mile intervals, for a total of 66 signs. The cost per median mounted sign is estimated to be $750.
- The one-time increase in state expenditures from the Highway Fund is estimated to be $49,500 (66 x $750).
- It is assumed that TDOT will be able to accommodate additional requirements regarding education of repeat offenders utilizing existing resources without a significant increase in state expenditures.
- Any increase in state or local revenue as a result of the proposed increase to the maximum assessment for court costs is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista M. Lee

Krista M. Lee, Executive Director

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